

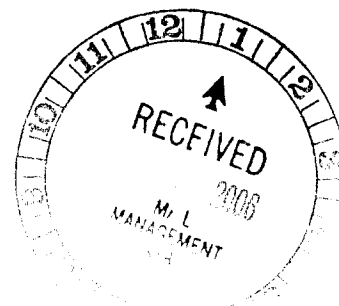


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JUN 02 '06

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SURFACE TRANSPORTATION BOARD



May 26, 2006

WRITER'S DIRECT NUMBER: (317) 236-2146
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Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

RE: Indiana Rail Road Company

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Memorandum of Security Agreement, a primary document, dated May 26, 2006.

The names and addresses of the parties to the document are as follows:

Company: The Indiana Rail Road Company, 101 W. Ohio Street, Suite 1600,
Indianapolis, IN 46204.

Secured Party: Wachovia Bank, National Association, 225 Water Street, Jacksonville,
Fl. 32202.

A description of the equipment covered by the document follows:

That certain personal property of the Company as described in the Security Agreement between the Company and the Secured Party, dated as of May 26, 2006, which includes (a) all of the personal property of the Company of every kind and nature including, without limitation, all accounts, goods, equipment, accessions, inventory, chattel paper, instruments, investment property, documents, letter-of-credit rights, deposit accounts, money and general intangibles, wherever located, and (b) all equipment, all accessories and parts that become a part of the equipment by accession, and all supplies used or to be used in connection therewith.

Mr. Vernon A. Williams
May 26, 2006
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A fee of \$34.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to D.A. Andrews, American Commercial Title & Escrow, 455 South 4th Street, Suite 1445, Louisville, KY 40202.

A short summary of the document to appear in the index follows:

Memorandum of Security Agreement, by and between the Company, 101 W. Ohio Street, Suite 1600, Indianapolis, IN 46204, and the Secured Party, 225 Water Street, Jacksonville, FL 32202, dated May 26, 2006 and covering the property in the description described above.

Very truly yours,

ICE MILLER LLP



Thomas M. Mulhern

TMM:sfh
Enclosures

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**MEMORANDUM OF
SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT made and entered into as of May 26, 2006, by and between The Indiana Rail Road Company (the "Company" or the "Debtor") and Wachovia Bank, National Association as a Lender and as the Syndication and Administrative Agent (the "Bank").

WITNESSETH:

The undersigned have entered into that certain Security, dated as of May 26, 2006 (the "*Security Agreement*"), by which the Company has granted a security interest in, among other things: (a) *all of the personal property of Debtor of every kind and nature including, without limitation, all accounts, goods, equipment, accessions, inventory, chattel paper, instruments, investment property, documents, letter-of-credit rights, deposit accounts, money and general intangibles, wherever located; and (b) all equipment, all accessories and parts that become a part of the equipment by accession, and all supplies used or to be used in connection therewith;* each to the Bank in order to secure the Company's performance of its obligations as described in that certain Credit Agreement dated as of May 26, 2006, by and between the Company and the Bank.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

THE INDIANA RAIL ROAD COMPANY

By Thomas G. Hoback
Name: Thomas G. Hoback
Title: President & CEO

Executed on this May 26th, 2006.

WACHOVIA BANK, NATIONAL
ASSOCIATION

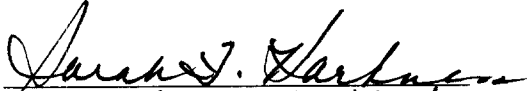
By Charles N. Ravittman
Name: Charles N. Ravittman
Title: S.V.P.

Executed on this May 26th, 2006.

STATE OF INDIANA)
)
COUNTY OF MARION) SS:

On this, the 26th day of May, 2006, before me, a Notary Public in and for said County and State, personally appeared Thomas G. Hoback, who being by me duly sworn, says that (s)he is the President & CEO of THE INDIANA RAIL ROAD COMPANY, that said instrument was signed on May 26, 2006 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Name: Sarah F. Harkness
Notary Public
My Commission Expires: 4-23-08
Residing in Namilton Co.

STATE OF INDIANA)
)
COUNTY OF MARION)

SS:

On this, the 26th day of May, 2006, before me, a Notary Public in and for said County and State, personally appeared Charles N. Kauffman, who being by me duly sworn, says that (s)he is the SVP of Wachovia Bank, National Association, that said instrument was signed on May 26, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Sarah F. Harkness
Name: Sarah F. Harkness
Notary Public
My Commission Expires: 4-23-08
Residing in Hamilton Co.